

SENATE BILL 888

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B2

2004 Regular Session
4r3090
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By: **Senator Gladden**

Introduced and read first time: February 25, 2004

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Outward Bound Leakin Park**
3 **Project**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$250,000,
5 the proceeds to be used as a grant to the Board of Trustees of Hurricane Island
6 Outward Bound School, Inc. for certain development or improvement purposes;
7 providing for disbursement of the loan proceeds, subject to a requirement that
8 the grantee provide and expend a matching fund; requiring the grantee to grant
9 and convey an easement to the Maryland Historical Trust; establishing a
10 deadline for the encumbrance or expenditure of the loan proceeds; and providing
11 generally for the issuance and sale of bonds evidencing the loan.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That:

14 (1) The Board of Public Works may borrow money and incur indebtedness on
15 behalf of the State of Maryland through a State loan to be known as the Baltimore
16 City - Outward Bound Leakin Park Project Loan of 2004 in a total principal amount
17 equal to the lesser of (i) \$250,000 or (ii) the amount of the matching fund provided in
18 accordance with Section 1(5) below. This loan shall be evidenced by the issuance, sale,
19 and delivery of State general obligation bonds authorized by a resolution of the Board
20 of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through
21 8-124 of the State Finance and Procurement Article and Article 31, § 22 of the Code.

22 (2) The bonds to evidence this loan or installments of this loan may be sold as
23 a single issue or may be consolidated and sold as part of a single issue of bonds under
24 § 8-122 of the State Finance and Procurement Article.

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
26 and first shall be applied to the payment of the expenses of issuing, selling, and
27 delivering the bonds, unless funds for this purpose are otherwise provided, and then
28 shall be credited on the books of the Comptroller and expended, on approval by the
29 Board of Public Works, for the following public purposes, including any applicable
30 architects' and engineers' fees: as a grant to the Board of Trustees of Hurricane Island
31 Outward Bound School, Inc. (referred to hereafter in this Act as "the grantee") for the
32 planning, design, construction, and capital equipping of a new building on the Leakin

1 Park Campus site to provide bathrooms and showers for students, and additional
2 program and administrative support space, for the renovation and reconstruction of
3 three existing structures to improve the infrastructure and facilities, and for site
4 preparation and stabilization to include parking space, access roads and other related
5 work, located in Baltimore City.

6 (4) An annual State tax is imposed on all assessable property in the State in
7 rate and amount sufficient to pay the principal of and interest on the bonds as and
8 when due and until paid in full. The principal shall be discharged within 15 years
9 after the date of issuance of the bonds.

10 (5) Prior to the payment of any funds under the provisions of this Act for the
11 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
12 matching fund. No part of the grantee's matching fund may be provided, either
13 directly or indirectly, from funds of the State, whether appropriated or
14 unappropriated. No part of the fund may consist of real property, in kind
15 contributions, or funds expended prior to the effective date of this Act. In case of any
16 dispute as to the amount of the matching fund or what money or assets may qualify
17 as matching funds, the Board of Public Works shall determine the matter and the
18 Board's decision is final. The grantee has until June 1, 2006, to present evidence
19 satisfactory to the Board of Public Works that a matching fund will be provided. If
20 satisfactory evidence is presented, the Board shall certify this fact and the amount of
21 the matching fund to the State Treasurer, and the proceeds of the loan equal to the
22 amount of the matching fund shall be expended for the purposes provided in this Act.
23 Any amount of the loan in excess of the amount of the matching fund certified by the
24 Board of Public Works shall be canceled and be of no further effect.

25 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey
26 to the Maryland Historical Trust a perpetual preservation easement to the extent of
27 its interest:

28 (i) On the land or such portion of the land acceptable to the Trust;
29 and

30 (ii) On the exterior and interior, where appropriate, of the historic
31 structures.

32 (b) If the grantee or beneficiary of the grant holds a lease on the land
33 and structures, the Trust may accept an easement on the leasehold interest.

34 (c) The easement must be in form and substance acceptable to the Trust
35 and any liens or encumbrances against the land or the structures must be acceptable
36 to the Trust.

37 (7) The proceeds of the loan must be expended or encumbered by the Board of
38 Public Works for the purposes provided in this Act no later than June 1, 2011. If any
39 funds authorized by this Act remain unexpended or unencumbered after June 1, 2011,
40 the amount of the unencumbered or unexpended authorization shall be canceled and
41 be of no further effect. If bonds have been issued for the loan, the amount of

1 unexpended or unencumbered bond proceeds shall be disposed of as provided in §
2 8-129 of the State Finance and Procurement Article.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 June 1, 2004.